

## **MINUTES**

### **KANSAS BUSINESS HEALTH POLICY COMMITTEE**

**September 4, 2003  
Kansas Statehouse  
Topeka, Kansas**

#### **MEMBERS PRESENT:**

Bill Riley, Chairman, Manhattan  
State Representative Willa DeCastro, Wichita  
Pat Kaufman, Shawnee Mission  
John Naramore, Lawrence  
State Representative Sue Storm, Shawnee Mission  
Jenifer Telshaw, Kansas Social and Rehabilitation Services  
Barbara Torkelson, Kansas Insurance Department  
State Senator Ruth Teichman, Stafford

#### **MEMBERS ABSENT:**

State Senator Paul Feleciano, Wichita  
Lt. Gov. John Moore, Wichita

#### **OTHERS PRESENT:**

William Kostar, Chairman, Kansas Health Partners Benefit Association  
Gail Urban, KHPBA Member  
David Hornick, KHPBA Insurance Advisor, Leavenworth  
Dennis Call, Benefit Management, Inc, Great Bend  
Bob Day, SRS Director of Medical Policy/Medicaid  
Bill Wolff, Kansas Legislative Research Department  
JoAnn Bunten, Kansas Insurance Department

**Kansas Business Health Policy Committee**  
**September 4, 2003**  
**Morning Session**

The Kansas Business Health Policy Committee meeting was called to order by the Chairman, Bill Riley, at 10:00 a.m. in Room 423-S of the Kansas Statehouse, Topeka.

The Chairman welcomed members of the Committee followed by introduction of Committee members and guests.

The Chair asked for consideration of the minutes of June 27, 2003. Representative Storm made a motion that the minutes be approved as written, seconded by Senator Teichman. The motion carried.

Bill Wolff, Kansas Legislative Research Department, briefed the Committee on the 2000 legislation that created the KBHPC. Dr. Wolff noted that early in the 2000 session, several Senators looked at ways to increase access to insurance coverage for low and moderate wage employees of small employers, defined in Kansas statutes as those employing 2 to 50 employees. The draft of the legislation, by agreement of Senate and House members of a conference committee of the omnibus bill, was made a part of the conference committee report on HB 2005. The Kansas Business Health Partnership Act was to sunset on July 1, 2002, but passage of HB 2247 in the 2002 session of the Kansas Legislature removed the sunset provision and made the Act a permanent part of the Kansas Statutes Annotated. Duties of the Committee and the Kansas Business Health Partnership were outlined in his written testimony that was distributed to members of the Committee. Dr. Wolff noted that the state of Arkansas passed a bill that would allow employers to pay premiums to match state dollars, but the feds did not approve. North Dakota and Colorado also passed legislation relating to small group insurance.

During Committee discussion it was noted that the Kansas legislation will look at what other states are doing in regard to mandates this coming session. The issue of liability of KBHPC and grants received from the Sunflower and Robert Wood Johnson Foundations were discussed. A member of the Committee requested a breakdown of all monies and grants that the Partnership has received.

Bob Day, SRS Director of Medical Policy/Medicaid, briefed the Committee on the state's Children's Health Insurance Program and the Medicaid Assistance Program. Mr. Day noted that \$1.2 billion is federal and state money with a 60-40 match. The CHIP program is primarily for children and the disabled. It was suggested that the Committee might want to look into premiums from employers coming into the state system and not private for-profit which may require legislation. Maine currently offers a plan whereby the employer contributes premiums into a state "fund" from which the state draws for its 40% portion of the premium. Because the monies into this fund are employer contributed, rather than being wholly from state funding, Maine recognizes that the federal government may, at some point, withdraw from its 60% "matching" contribution. However, Maine has moved forward with its plan anyway.

Gail Urban, a member of the Kansas Health Partners Benefit Association, briefed the Committee on her experience with the Kansas Health Insurance Premium Payment System (HIPPS). She noted that the HIPPS program is under utilized because the insurance coverage that employers offer is often not comparable to the benefit-rich plan offered by Medicaid, therefore, SRS denies the HIPPS opportunity to many of its applicants. Bob Day replied that it is a concern that the standard for qualification into the HIPPS program is set high and the threshold for HIPPS qualification issue should be revisited by those entities involved.

### **Afternoon Session**

Jenifer Telshaw, Kansas Social and Rehabilitation Services, briefed the Committee on HealthWave, a program for children in families with limited incomes that provide insurance at little or no cost. HealthWave covers children from birth to age 19. Some families will pay a \$10-\$15 monthly premium, depending on their income. A packet was distributed to the Committee containing material relating to HIPPS, HealthWave and Medicaid benefits.

David Hornick briefed the Committee on the Kansas Small Employer Health Plan Tax Credit program as outlined in his handout. Mr. Hornick noted that out of 216 employers, 57 actually filed with the Department of Revenue for this program that was initiated in 1999. It was agreed there needs to be better communication with small business employers regarding this program as well as the Chamber of Commerce and CPAs. It was pointed out that insurance agents were never involved with the tax credit program and they too should be involved.

William Kostar, Chairman, Kansas Health Partners Benefit Association, gave an update on the activities of the Association. He noted that they would continue to focus on the "Big Picture" which is the original intent of the Kansas Business Health Partnership Act to provide state and federal subsidies of insurance premiums to small business owners in need. Mr. Kostar also noted that he has talked to Bob Day at SRS relating to the 1115 Waiver filing. Research will also be instigated on what other states are doing in regard to insurance programs for small businesses such as in Maine. He noted that the next meeting of the Association would be held September 26, 2003.

Dennis Call, KHPBA insurance advisor and president of Benefit Management, Inc., gave an update on Allied National "Cost Saver" Product. During Committee discussion it was noted that the Kansas Association of Insurance Agents have agreed to become the marketer for the Allied product.

David Hornick noted that there is another carrier interested in contracting with the Partnership, but he was not at liberty to reveal who it is at this time. Mr. Hornick also pointed out that it would be beneficial to all concerned if legislation could be introduced during the 2004 Session that would require carriers to share aggregate claim data with small employers.

Dennis Call asked the Committee's approval of specific language relating to health insurance coverage of small businesses that employ between 2 to 99 people which would read: "This insurance is available through KHPBA and made possible by its partnership with the

Kansas Business Health Policy Committee. The coverage provides an affordable low cost health plan for Kansas businesses having between 2-99 employees.” This action would apply only to the Cost Saver basic product and not the proposed future Cost Saver Plus that was discussed. Senator Teichman made a motion that the Committee approve this language, seconded by Representative DeCastro. After Committee discussion, the motion carried with one abstention and one no vote by Pat Kaufman who requested her vote be recorded.

The next meeting of the Committee will be held at 10:00 a.m. on October 23<sup>rd</sup> in Room 123-S of the statehouse.

The meeting was adjourned at 3:00 p.m.